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CONTRACT NO. AT(30-1)-1247

CONTRACT

CONTRACTOR AND ADDRESS

AMERICAN MACHINE AND FOUNDRY COMPANY
Second Avenue and 56th Street
Brooklyn, New York

CONTRACT FOR:

MACHINING AND OTHER WORK AND SERVICES

TERM:

August 1, 1951 to December 31, 1951

COMMISSION OBLIGATION

\$120,000.00

PAYMENT TO BE MADE BY:

Division of Disbursement,
United States Treasury Department,
New York, New York.
Submit invoices to:
United States Atomic Energy Commission,
P. O. Box 30, Ansonia Station
New York 23, New York

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THIS CONTRACT, entered into the 30th day of November, 1951, effective as of the 6th day of August, 1951, by and between the UNITED STATES OF AMERICA (hereinafter referred to as the "Government"), as represented by the UNITED STATES ATOMIC ENERGY COMMISSION (hereinafter referred to as the "Commission"), and the AMERICAN MACHINE AND FOUNDRY COMPANY, a corporation organized and existing under the laws of the State of ~~New York~~, with its principal office in the city of New York, State of New York (hereinafter referred to as the "Contractor");

WITNESSETH THAT:

WHEREAS, the Government desires to have the Contractor perform certain work and services as hereinafter provided, and

WHEREAS, the Contractor is willing to perform this work and services upon the terms and conditions hereinafter stated, and

WHEREAS, this contract is authorized by law, including the Atomic Energy Act of 1946,

NOW, THEREFORE, the parties hereto do mutually agree as follows:

ARTICLE I - STATEMENT OF THE WORK AND SERVICES

1. The Contractor shall perform the following work and services:

(a) Set-up, tooling and adjustment of Government-furnished equipment.

(b) Receiving and machining of certain uranium bars furnished by the Commission to the Contractor, and inspecting and shipping this material as may be directed by the Commission.

(c) The preparation and submittal to the Commission of certain reports on its work and services under this contract, as may be directed by the Commission.

(d) Installation of Government-owned and Contractor-owned facilities and equipment in such restricted area of the Contractor's plant as may be mutually agreed upon by the Contractor and the Commission and removal of such Contractor-owned equipment from this restricted area as is not necessary for the performance of the Contractor's undertakings hereunder.

(e) Purchasing or otherwise procuring certain equipment and machine tools for the account of the Government, as may be directed by the Commission.

2. The Contractor shall place emphasis on, change or omit various phases or aspects of the work provided for hereunder, as and to the extent requested by the Commission from time to time, and shall keep the Commission fully advised of its progress hereunder, and of the difficulties, if any, which it experiences.

ARTICLE II - CONSIDERATION

1. In full monetary consideration for the performance by the Contractor of its undertakings hereunder, the Contractor shall be paid:

(a) At the rate of Six Dollars and Ninety-five Cents (\$6.95) per man hour expended in furtherance of the work provided for in paragraph 1 (a) of Article I, by employees of the Contractor in the following direct labor classifications: (1) Assemblyman; (2) Automatic screw machine loader and checker; (3) Automatic screw machine instructor; (4) Turret lathe set-up man; (5) Assembly hand; (6) Helper; (7) Turret lathe operator; (8) Inspector; (9) Machinist's helper; (10) Grinding machine operator.

(b) At the rate of Six Dollars and Ninety-five Cents (\$6.95) per man hour expended in furtherance of the work provided for in paragraph 1 (b) of Article I to the extent such work is performed on or in connection with work performed on Contractor-owned facilities and/or equipment, by employees of the Contractor in the following direct labor classifications: (1) Assemblyman; (2) Automatic screw machine loader and checker; (3) Automatic screw machine instructor; (4) Turret lathe set-up man; (5) Assembly hand; (6) Helper; (7) Turret lathe operator; (8) Inspector; (9) Machinist's helper; (10) Grinding machine operator.

(c) At the rate of Six Dollars and Seventy-three Cents (\$6.73) per man hour expended, in furtherance of the work provided for in paragraph 1 (b) of Article I to the extent such work is performed on or in connection with work performed on Government-owned facilities and/or equipment, by employees of the Contractor in the following direct labor classifications: (1) Assemblyman; (2) Automatic screw machine loader and checker; (3) Automatic screw machine instructor; (4) Turret lathe set-up man; (5) Assembly hand; (6) Helper; (7) Turret lathe operator; (8) Inspector; (9) Machinist helper; (10) Grinding machine operator.

(d) Wages and overtime pay (including overtime premium payments) of direct labor employees of the Contractor to the extent they are engaged in furtherance of the work provided for in paragraph (d) of Article I plus 10% of such wages (including overtime pay and overtime premium payments) as full compensation for all overhead and indirect expenses incident to such labor.

(e) The cost (delivered, invoice) to the Contractor of materials, supplies, tools and equipment furnished or otherwise procured by the Contractor and required for performance of the work provided for in paragraph 1 (a) and 1 (d) of Article I plus 10% of the costs made reimbursable under this subparagraph (e) as full compensation for all handling and other indirect expenses incident to such materials, supplies, tools and equipment.

(f) The cost (delivered, invoice) to the Contractor of perishable tooling, special coolants, instruments and gauges purchased or otherwise procured by the Contractor and required for performance of the work provided for in paragraph 1 (b) of Article I to the extent such work is performed on or in connection with work performed on Government-owned facilities and/or equipment, plus 10% of the costs made reimbursable under this subparagraph (f) as full compensation for all handling and other indirect expenses incident to such tooling, special coolants, instruments and gauges.

(g) The cost (delivered, invoice) to the Contractor of equipment and facilities purchased or otherwise procured by the Contractor for the account of the Government, as may be directed by the Commission in accordance with the provisions of paragraph 1 (e) of Article I.

2. The Contractor shall be paid monthly (or at more frequent intervals, if mutually convenient) upon submission by the Contractor to the Commission of pertinent and duly certified vouchers or invoices supported by such time records or other evidence as are prepared in accordance with the Contractor's regular accounting practice and as are satisfactory to the Commission.

3. The Commission has obligated, from obligational authority available to the Commission, the amount of One Hundred and Twenty Thousand Dollars (\$120,000) for the work and services provided for in this contract. The Commission may increase this obligation in its discretion, from time to time by written notice to the Contractor. The Contractor shall promptly notify the Commission in writing whenever it is indicated that the Commission obligation for the work and services provided for in this contract will be insufficient, and said notice shall contain, in reasonable detail, the Contractor's estimate of the amount of such insufficiency. Notwithstanding any other provision of this contract,

the total liability of the Government under this contract shall be limited to the Commission obligation specified in this paragraph, as the same may have been increased by the Commission from time to time pursuant to the provisions of this paragraph. The Contractor shall not be expected to perform further if and when the then current amount of the Commission's obligation is reached, unless the Commission revises the same upward in writing.

4. To the extent items procured by the Contractor are reimbursable under this Article II, the Contractor shall, to the extent of its ability, take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and bonifications, and when unable to take advantage of such benefits it shall promptly notify the Commission as to the reason therefor. In determining the reimbursable amount for items procured for the purposes of this contract, there shall be deducted from the gross cost thereof all cash and trade discounts, rebates, allowances, credits, commissions, and bonifications which have accrued to the benefit of the Contractor or would have so accrued but for the fault or neglect of the Contractor.

ARTICLE III - TERM AND TERMINATION

1. The term of this contract shall commence on August 6, 1951 and shall end on December 31, 1951.

2. (a) For any reason other than the Contractor's breach or breaches, if any, of this contract, the performance of the work under this contract may be terminated by the Commission in whole, or from time to time in part, whenever the Commission, in its discretion considers such action to be in the best interest of the Government. Termination under this paragraph shall be effected by delivery of a written notice to the Contractor, specifying the extent to which performance of the work under this contract shall be terminated, and the effective date of such termination. Upon receipt of such notice of termination, the Contractor, as directed by the Commission, shall promptly discontinue the portion of its undertakings so terminated, and shall take such necessary and appropriate action with respect to the terminated work as may be required under other provisions of this contract or as may be directed or approved by the Commission, including the delivery to the Commission of such work and Government property in the Contractor's possession or custody as the Commission requests.

(b) In the event of termination in whole or in part under this paragraph, the Contractor shall be paid the sums due it for the terminated portion of the work pursuant to paragraph 1 of Article II for work performed up to and including the effective date of termination, and not theretofore paid.

ARTICLE IV-GENERAL PROVISIONS

1. Inventions and Discoveries:

(a) Whenever any invention or discovery is made or conceived by the Contractor or its employees in the course of any of the work under this contract, the Contractor shall furnish the Commission with complete information thereon; and the Commission shall have the sole power to determine whether or not and where a patent application shall be filed, and to determine the disposition of the title to and rights under any application or patent that may result. The judgment of the Commission on these matters shall be accepted as final; and the Contractor, for itself and for its employees, agrees that the inventor or inventors will execute all documents and do all things necessary or proper to carry out the judgment of the Commission.

(b) No claim for pecuniary award or compensation under the provisions of the Atomic Energy Act of 1946 shall be asserted by the Contractor or its employees with respect to any invention or discovery made or conceived in the course of any of the work under this contract.

(c) Except as otherwise authorized in writing by the Commission, the Contractor will obtain patent agreements to effectuate the purposes of subparagraph (a) and (b) of this paragraph from all persons who perform any part of the work under this contract, except such clerical and manual labor personnel as will not have access to technical data.

(d) Except as otherwise authorized in writing by the Commission, the Contractor will insert in all subcontracts provisions making this paragraph applicable to the subcontractor and its employees.

2. Workmanship and Materials: The work shall be executed in the best and most workmanlike manner by qualified, careful, and efficient workers in strict conformity with the best standard practices.

3. Inspection and Reports:

(a) The Commission shall have the right to inspect, in such manner and at such times as it deems appropriate, all activities of the Contractor arising in the course of the work under this contract.

(b) In addition to reports required by other provisions of this contract, the Contractor shall make such reports to the Commission with respect to its activities under this contract as the Commission may require from time to time.

4. Safety and Accident Prevention: The Contractor shall initiate and take all reasonable steps and precautions to protect health and minimize danger from all hazards to life and property, shall make all reports and permit all inspections as required by the Commission, and shall conform to all health and safety regulations and requirements of the Commission.

5. Security and Disclosure of Information:

(a) It is understood that unauthorized disclosure of, or failure to safeguard all, top-secret, secret, confidential and restricted matter that may come to the Contractor, or any person under its control, in connection with the work under this contract, may subject the Contractor, its agents, and employees to criminal liability under the laws of the United States. See the Atomic Energy Act of 1946 (Public Law 585 - 79th Congress). See also Title 18, United States Code, Secs. 5 and 11, Secs. 791 to 797, both inclusive, Secs. 2381 to 2390, both inclusive, and Sec. 3241; Title 50, United States Code, Secs. 40 and 42.

(b) The Contractor agrees to conform to all security regulations and requirements of the Commission. Except as the Commission may authorize, in accordance with the Atomic Energy Act of 1946, the Contractor agrees not to permit any individual to have access to restricted data until the Federal Bureau of Investigation shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual, and the Commission shall have determined that permitting such person to have access to restricted data will not endanger the common defense or security. The term "restricted data" as used in this subparagraph means all data concerning the manufacture or utilization of atomic weapons, the production of fissionable material, or the use of fissionable material in the production of power, but shall not include any data which the Commission from time to time determines may be published without adversely affecting the common defense and security.

(c) Except as otherwise authorized in writing by the Commission, the Contractor shall insert in all (i) subcontracts, (ii) written agreements with its employees, and (iii) any other agreements made pursuant to the provisions of this contract, the provisions of subparagraphs (a) and (b) of this paragraph.

6. Disputes. Except as otherwise specifically provided in this contract, all disputes between the parties which may arise under, or in connection with, any part of this contract, prior to final payment, and which are not disposed of by mutual agreement, shall be decided by a representative of the Commission, duly authorized to supervise and administer performance of the undertakings hereunder, who shall reduce his decision to writing and mail a copy of said decision to the Contractor; said decision shall be final and conclusive on the parties hereto, subject to the right of the Contractor to appeal, as provided for in the sentence next following. Within thirty days from the mailing of said decision, the Contractor may appeal in writing to the Commission whose written decision thereon, or that of its duly authorized representative, representatives, or Board (but not including the Commission representative mentioned in the first sentence of this paragraph), duly authorized to determine such an appeal, shall be final and conclusive on the parties hereto. If any such dispute arises during performance by the Contractor of its undertakings hereunder, the Contractor shall diligently proceed with the performance of its undertakings under this contract, pending the decision of such dispute.

7. Compliance with Laws, etc. The Contractor shall procure all necessary permits and licenses; obey and abide by all applicable laws, regulations, ordinances, and other rules of the United States of America, of the State, territory, or political subdivision thereof wherever the work is done, or of any other duly constituted public authority.

8. Officials Not To Benefit. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

9. Covenant Against Contingent Fees. The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

10. Domestic Articles. Unless the Commission shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, the Contractor, its subcontractors, and all material men or suppliers shall use, in the performance of the work, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, or supplies as have been manufactured in the United States substantially all from articles, materials, or supplies, mined produced or manufactured, as the case may be, in the United States. The provisions of this paragraph shall not apply if the articles, materials, or supplies of the class or kind to be used, or the articles, materials, or supplies from which they are manufactured are not mined, produced or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of satisfactory quality.

11. Renegotiation.

(a) This contract is subject to the Renegotiation Act of 1951 (P.L. 9, 82nd Congress) and shall be deemed to contain all the provisions required by Section 104 of said Act.

(b) The Contractor (which term as used in this paragraph means the party contracting to furnish the materials or perform the work required by this contract) agrees to insert the provisions of this paragraph, including this paragraph (b), in all subcontracts specified in Section 103 (g) of the Renegotiation Act of 1951; provided, that the Contractor shall not be required to insert the provisions of this paragraph in any subcontracts exempted by or pursuant to Section 106 of the Renegotiation Act of 1951.

12. Assignment. Neither this contract nor any interest therein or claim thereunder shall be assigned or transferred by the Contractor except with the prior written approval of the Commission.

13. Subcontracts: Procurements

(a) The Contractor shall not subcontract any part of the work under this contract without the prior written approval of the Commission.

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(b) No purchase of Three Hundred Dollars (\$300) or more (reimbursable under Article II hereof) shall be made or placed by the Contractor in its performance of the work and services under this contract without the ~~prior~~ written approval of the Commission. The Contractor shall reduce, or cause to be reduced, to writing all subcontracts in connection with the work hereunder and all commitments for purchases of One Hundred Dollars (\$100) or more (reimbursable under Article II hereof). The Contractor shall make all such subcontracts and purchases in its own name, and not bind or purport to bind the Government; the Contractor shall insert, or cause to be inserted, a provision in each such subcontract or other written commitment providing that it is assignable to the Government.

14. Records and Accounts. The Contractor shall keep and maintain complete records and books of accounts, in accordance with generally accepted accounting principles consistently applied, adequately covering, to the satisfaction of the Commission, all its costs and expenses in connection with this contract. The Contractor shall preserve such books and records, together with all other non-Government-owned papers of record value pertaining to this contract for a period of five years after the date of final payment under this contract; the cost of such preservation shall be borne by the Contractor. The Government shall at all reasonable times, prior to and after the date of final payment under this contract, have the right (at Government expense) to examine and make copies of any of the said books, records and other papers.

15. Eight-Hour Law. No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this paragraph of the contract. The wages of every laborer and mechanic employed by the Contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this paragraph of the contract a penalty of five dollars shall be imposed upon the Contractor for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this paragraph of the contract, and all penalties thus imposed shall be withheld for the use and benefit of the Government: Provided, that this stipulation shall be subject in all respects to the exceptions and provisions of the Eight-Hour Laws as set forth in U. S. Code, Title 40, Sections 321, 324, 325, 325a, and 326, which relate to hours of labor and compensation for overtime.

16. Non-Discrimination in Employment. In connection with the performance of this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin; and further agrees to insert the foregoing provision in all subcontracts hereunder except subcontracts for standard commercial supplies or for raw materials.

17. Convict Labor. In connection with the performance of this contract, the Contractor agrees not to employ any person undergoing sentence or imprisonment at hard labor. This provision shall not be construed to prevent the Contractor or any subcontractor from obtaining any of the supplies or any component parts or ingredients to be furnished under this contract or any of the materials or supplies to be used in connection with the performance of this contract, directly or indirectly, from any Federal, state or territorial prison or prison industry, provided, that such articles, materials or supplies are not produced pursuant to any contract or other arrangements under which prison labor is hired or employed or used by any private person, firm or corporation.

18. Labor Disputes. Whenever an actual or potential labor dispute arises in the course of the work under this contract, the Contractor shall immediately inform the Commission of such dispute and of the relevant facts.

19. Government Property.

(a) The Government reserves the right to furnish any premises, materials, supplies, equipment, machinery, tools, or services to be used in the performance of the Contractor's undertakings hereunder.

(b) Title to all property specially procured in or for performance of this contract and for which the Contractor is entitled to reimbursement under Article II hereof shall, unless title is already in the Government, pass directly from the vendor or supplier to the Government. Title to all other property for which the Contractor is entitled to reimbursement under Article II hereof shall pass to the Government at the respective times of furnishing thereof for performance under this contract.

(c) All technical data of whatsoever kind or nature (including, but not limited to, notes, drawings, designs, specifications, reports and memoranda) and all medical data (i.e. records pertaining to health of individuals utilized in performance of the contract undertakings) furnished or prepared by the Contractor pursuant to, or developed in connection with, the Contractor's undertakings under this contract, shall be the property of the Government, subject to the right of the Contractor to retain duplicates thereof; and the Government shall have the right to use said data in any manner and for any purpose without any claim or right on the part of the Contractor for additional compensation therefor.

(d) All items of property referred to in subparagraphs (a) and (b) of this paragraph (including products, by-products, work-in-process, salvage, residues, wastage and scrap resulting therefrom) and in subparagraph (c) of this paragraph, shall, subject to the provisions of subparagraph (e) of this paragraph, remain the property of the Government and are hereinafter in this paragraph referred to as "Government property".

(e) The Contractor may, with the approval of the Commission, (i) transfer or otherwise dispose of items of Government property to such parties and upon such terms and conditions as so approved, or (ii) itself acquire title to items of property at prices mutually agreed upon by the Commission and the Contractor without the necessity of the execution of an amendment to this contract. The proceeds of any such transfer or disposition, and the agreed price of any such Contractor acquisition, shall be applied in reduction of any payments or reimbursements to be made by the Government to the Contractor under this contract or shall otherwise be paid in such manner as the Commission may direct.

(f) The Commission shall, at all reasonable times, have access to the premises wherein any articles of Government property are located. The Contractor shall maintain, at all times, and in a manner satisfactory to the Commission, records showing the use and disposition of Government property and, unless otherwise authorized in writing by the Commission, shall use Government property only for the purposes of this contract. Subject to the provisions of this paragraph, the Contractor shall deliver Government property to the Commission upon request; delivery shall be f. o. b. Contractor's Plant and the Government property shall be properly packed and/or crated by the Contractor at the expense of the Government.

(g) The Contractor shall promptly notify the Commission of any loss or destruction of or damage to Government property in its custody or possession under this contract. The Contractor shall use its best efforts to safeguard and protect all Government property referred to in this contract; however, the Contractor shall not be liable for loss or destruction of or damage to Government property in its possession or custody under this contract unless such loss, destruction or damage results from the gross negligence or willful misconduct or failure to exercise good faith on the part of a corporate officer of the Contractor or of a representative of the Contractor having general supervision of the work to be performed under this contract.

20. Definitions. As used in this contract, the terms, "United States Atomic Energy Commission", "Atomic Energy Commission", and "Commission" shall mean the United States Atomic Energy Commission or its duly authorized representative or representatives.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

Witnesses:

THE UNITED STATES OF AMERICA

BY: UNITED STATES ATOMIC ENERGY COMMISSION

(Address)

511 Fifth Avenue

New York, N.Y.
(Address)

W. E. Kelley
W. E. KELLEY
MANAGER
NEW YORK OPERATIONS OFFICE

AMERICAN MACHINE AND FOUNDRY COMPANY

By: E. J. Zimmer Jr. (E. J. Zimmer Jr.)

Title: Manager - Contract Division